



August 9, 1995  
LD-95-037

Director, Export Control Division, NN-43  
U.S. Department of Energy  
Office of Arms Control and Nonproliferation  
Washington, DC 20585

Subject: Request for Authorization to Assist Foreign Atomic Energy Activities  
in the Democratic People's Republic of Korea

Dear Sir:

Combustion Engineering, Inc. ("CE"), a Delaware corporation, hereby requests specific authorization under 10 CFR 810 for the activities described below. CE is an indirectly owned subsidiary of ABB Asea Brown Boveri Ltd., a Swiss corporation, as described in prior correspondence with the Department of Energy.

Under an agreement between the Governments of the United States of America and the Democratic People's Republic of Korea ("North Korea"), it is planned that two nuclear power plants will be furnished to North Korea with funding from a group of countries including the United States and the Republic of Korea ("South Korea"). This will be achieved under the auspices of the Korean Peninsula Energy Development Organization ("KEDO") and its successor organization(s) and assigns. The North Korean plants will be based on CE technology, which has been incorporated in the Korean standard nuclear plant model, and are expected to be essentially the same design as the Ulchin 3 & 4 nuclear plants that are currently under construction in South Korea. Any equipment to be supplied by CE from the United States for the North Korean plants will be covered by an appropriate export license. The value of CE's efforts is not yet known, but is likely to be in the millions of dollars.

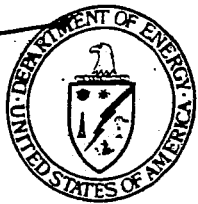
Because CE has licensees and customers in South Korea that are expected to undertake the design and supply of equipment and systems for the North Korean nuclear power plants, CE expects that it will be involved in most phases of the project management, design, manufacture, supply, training and construction for these plants: CE involvement is expected to continue during their startup and initial operation, and throughout the life of the plants. The precise entities in North Korea that will be involved are at present unknown, except that all or most of them are expected to be entities of the North Korean government. It is not intended to transfer technology to enable North Korea to design or manufacture nuclear power plant components or nuclear fuel, but information concerning the design, operation and maintenance of the nuclear power plants to be supplied must be made available, either by CE or its South Korean licensees and customers, in order to permit their licensing and safe operation. The proposed activity does not involve "sensitive nuclear technology" as that term is used in 10 CFR 810.

The information provided in this letter is proprietary to CE and therefore withholding from public disclosure is requested.

Very truly yours,

C. B. Brinkman  
Director, Nuclear Licensing

ABB Combustion Engineering Nuclear Power



**The Secretary of Energy**  
Washington, DC 20585

**DETERMINATION PURSUANT TO DEPARTMENT OF ENERGY  
REGULATIONS 10 CFR PART 810 ON COMBUSTION ENGINEERING  
REQUEST TO PROVIDE NUCLEAR POWER REACTOR TECHNOLOGY  
TO THE PEOPLE'S DEMOCRATIC REPUBLIC OF KOREA (95NK001)**

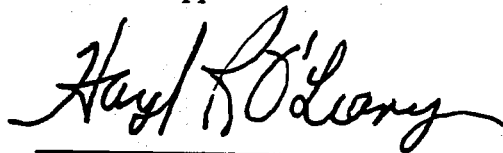
Having considered the factors listed in 10 CFR Part 810.10, the Department of Energy staff recommendation of approval, the Department of State concurrence, and the consultations with the Departments of Defense and Commerce, the Arms Control and Disarmament Agency, and the Nuclear Regulatory Commission, I have determined that it will not be inimical to the interest of the United States for Combustion Engineering, Inc., to provide technology, equipment, and services for the design, construction, operation, and maintenance of two light water nuclear power reactors in the Democratic People's Republic of Korea (North Korea).

I, therefore, authorize the activities described in Combustion Engineering's August 9, 1995, letter of application, subject to:

- U.S. Government receipt of North Korean Government assurances that:
  - Transferred Combustion Engineering technology will be used only for peaceful nuclear power generation and not for any military or nuclear explosive purpose.
  - Neither the transferred technology nor equipment based upon it will be retransferred to another country without prior U.S. Government consent.
  - The reactors to be built in North Korea will be placed under International Atomic Energy Agency safeguards.
- Combustion Engineering's agreement to:
  - Ensure that its technology transferred to North Korea is only that necessary for the licensing and safe operation of the reactors and not technology enabling the design or manufacture of nuclear reactor components or fuel.

- To make written reports on its North Korea-related activities on a quarterly basis and brief DOE and representatives of other U.S. Government agencies on its North Korea-related activities whenever DOE so requests.

This authorization shall be valid for an initial period of five years, renewable by the Department in the light of experience and the circumstances at that time, and shall be suspended, subject to reinstatement by the Department, if either the United States or North Korea abrogates the Agreed Framework agreement establishing the Korean Peninsula Energy Development Organization and the arrangements under which the reactors will be supplied.



Hazel R. O'Leary

May 6, 1996

Date



Westinghouse Electric Company  
CE Nuclear Power LLC

2000 Day Hill Road  
Windsor, CT 06095

January 29, 2001  
LD-2001-CC04

Director  
Nuclear Transfer and Supplier Policy Division, NN-43  
Office of Arms Control and Nonproliferation  
U.S. Department of Energy  
Washington, D.C. 20585

Subject: Request for Renewal of Specific Authorization No. 95NK001 dated May 6, 1996

- References:
1. Combustion Engineering, Inc. letter to DOE, "Request for Authorization to Assist Foreign Atomic Energy Activities in the Democratic People's Republic of Korea," LD-95-037, dated August 9, 1995.
  2. DOE, Office of Arms Control and Nonproliferation letter to Combustion Engineering, Inc. dated May 10, 1996.

Dear Sir:

Pursuant to References (1) and (2) and corporate changes described and approved in past correspondence with the Department of Energy (DOE), CE Nuclear Power LLC (CENP), a Delaware limited liability company owned indirectly by British Nuclear Fuels plc, is the holder of specific authorization No. 95NK001 dated May 6, 1996. This authorization is valid until May 6, 2001. CENP hereby requests that DOE renew and extend the current authorization.

The information provided in this letter is confidential to CENP and therefore withholding from public disclosure is requested.

Sincerely,

Philip W. Richardson  
Licensing Project Manager  
Windsor Nuclear Licensing

cc: F. M. Murray (Westinghouse)  
R. S. Bell (Westinghouse)  
E. F. McDonough (Westinghouse)



The Secretary of Energy  
Washington, DC 20585

DETERMINATION PURSUANT TO DEPARTMENT OF ENERGY  
REGULATIONS 10 CFR PART 810 ON WESTINGHOUSE REQUEST FOR RENEWAL  
OF AUTHORIZATION TO PROVIDE NUCLEAR POWER REACTOR TECHNOLOGY  
TO THE DEMOCRATIC PEOPLE'S REPUBLIC OF KOREA (95NK001)

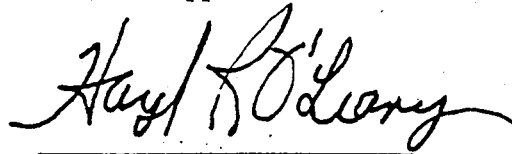
Having considered the factors listed in 10 CFR Part 810.10, the Department of Energy (DOE or the Department) staff recommendation of approval, concurrence by the Department of State, and consultations with the Departments of Defense and Commerce and the Nuclear Regulatory Commission, I have determined that it will not be inimical to the interest of the United States to renew the May 6, 1996, authorization to allow Westinghouse Electric Company to provide technology, equipment, and services for the design, construction, operation, and maintenance of two light water nuclear power reactors in the Democratic People's Republic of Korea (DPRK).

I, therefore, authorize the activities described in Westinghouse's January 29, 2001, letter of application, subject to:

- DPRK Government assurances given in the 1994 Agreed Framework between the U.S. and DPRK Governments and the 1995 Agreement on Supply between the Korean Peninsula Energy Development Organization (KEDO) and the DPRK Government, that:
  - Transferred Westinghouse technology will be used only for peaceful nuclear power generation and not for any military or nuclear explosive purpose.
  - Neither the transferred technology nor equipment based upon it will be retransferred to another country without prior U.S. Government consent.
  - The reactors being built in the DPRK will be placed under International Atomic Energy Agency safeguards.
- Westinghouse's agreement to:
  - Ensure that its technology transferred to DPRK entities is only that technology necessary for the licensing and safe operation of the reactors, including design and manufacturing data needed for such licensing and safe operation, but not technology enabling design or manufacture of nuclear reactor components or fuel.
  - To make written reports on its DPRK-related activities on a quarterly basis and brief DOE and representatives of other U.S. Government agencies on these activities whenever DOE so requests.

- To make written reports on its North Korea-related activities on a quarterly basis and brief DOE and representatives of other U.S. Government agencies on its North Korea-related activities whenever DOE so requests.

This authorization shall be valid for an initial period of five years, renewable by the Department in the light of experience and the circumstances at that time, and shall be suspended, subject to reinstatement by the Department, if either the United States or North Korea abrogates the Agreed Framework agreement establishing the Korean Peninsula Energy Development Organization and the arrangements under which the reactors will be supplied.



Hazel R. O'Leary

May 6, 1996

Date